



COUNCIL WORK SESSION

Tuesday, May 3, 2016

6:30 p.m.

**Coon Rapids City Center
Conference Room 1**

Call to Order

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. Metropolitan Council Governance Reform

Other Business

Adjourn



City Council Work Session

1.

Meeting Date: 05/03/2016

Subject: Metropolitan Council Governance Reform

From: Matt Stemwedel, City Manager

INTRODUCTION

The City Council has been asked to consider a resolution on Metropolitan Council Governance reform. The purpose of this work session is to provide an opportunity to consider this request and alternative positions.

DISCUSSION

A coalition of local governments ("Coalition") led by Anoka, Carver, Dakota and Scott counties have established a set of principles advocating for Metropolitan Council governance reform. Earlier this year representatives from the Coalition requested metro area cities consider providing formal support for their position by adopting a resolution. At the April 19, 2016 City Council meeting, Anoka County Commissioner Scott Schulte presented information from the Coalition and requested the Council consider adopting the resolution of support.

Staff requests the City Council consider the following options and background materials regarding Metropolitan Council Governance reform:

- 1.) Consider the Coalitions position on reform. See attached document titled "Coalition Principles" for background information. In addition, review attachments titled "Coalition Letter" and "Coalition - Adoptee List" for updated information on the Coalitions efforts.
- 2.) Consider the Metro Cities position on reform. See attached document titled "Metro Cities - Task Force Recommendations" for background information.
- 3.) Review the executive summary on Metropolitan Council governance reform produced by a special task force of the Citizens League, see attachment titled "Citizen League Task Force."

RECOMMENDATION

Staff recommends the City Council consider policy options with regard to Metropolitan Council governance reform. Staff has included an item on tonight's regular City Council meeting to allow the Council to formally consider a policy position if so desired.

Attachments

Coalition Principles

Coalition Letter

Coalition - Adoptee List

Metro Cities - Task Force Recommendations

Citizens League

Metropolitan Governance Reform
Twin Cities' Local Government Coalition
-Statement of Objectives-

A coalition of local governments throughout the metropolitan area has joined together to develop a position statement and a set of principles for improving metropolitan governance in the Twin Cities.

The Coalition supports the need for regional planning, collaboration and coordination, but seeks to expand local government representation on the Metropolitan Council.

The Coalition's objectives for its collective effort to improved governance are:

1. To articulate a vision of responsive and effective metropolitan governance—as represented by a Statement of Belief and Principles for Reform of the Metropolitan Council
2. To align local government interests behind a reform effort—through formation of a broad coalition of metropolitan Cities and Counties —and a common position.
3. To be prepared for any efforts—legislative and otherwise—to reform the governance structure and functioning of the Metropolitan Council.

Attached is the Coalition's Statement of Belief and Principles for Reform.

Twin Cities' Local Government Coalition

Principles for Metropolitan Council Reform

The following principles were developed by a coalition of cities and counties in the metropolitan area, a coalition created to advocate for reform of the Metropolitan Council. The group believes that an effective Metropolitan Council should reflect the following principles, which were developed based on the group's core Statement of Belief (printed below).

STATEMENT OF BELIEF:

The Metropolitan Council, due to its taxing and policy authority, should be accountable to a regional constituency of those impacted by its decisions. It should not operate as a state agency—as it does in its current form—answerable to only one person, the Governor.

Principles for Metropolitan Council Reform:

- I. A majority of the members of the Metropolitan Council shall be elected officials, appointed from cities and counties within the region.
- II. Metropolitan cities shall directly control the appointment process for city representatives to the Metropolitan Council.
- III. Metropolitan counties shall directly appoint their own representatives to the Metropolitan Council.
- IV. The terms of office for any Metropolitan Council members appointed by the Governor shall be staggered and not coterminous with the Governor.
- V. Membership on the Metropolitan Council shall include representation from every metropolitan county government.
- VI. The Metropolitan Council shall represent the entire region, therefore voting shall be structured based on population and incorporate a system of checks and balances.

Background and Justification of Position

The Metropolitan Council was created to provide for the orderly and economic development of the Twin Cities metropolitan area. It has the responsibility and authority to guide the region's growth and to provide important regional services. The Counties of Anoka, Carver, Dakota, and Scott support the concept of a regional approach, and have no wish to abolish the Council or diminish the importance of regional collaboration.

However, the Council's management of growth, and in particular the coordination and delivery of regional services has changed dramatically. At the same time, the role of counties has evolved. Increasingly, Counties have undertaken direct provision of regional services including: hazardous and solid waste management, transit funding and transitway development, regional parks, regional highways, water resources planning and watershed management, greenway and bikeway development, farmland and open space preservation, the regional library system, fiber communications networks, and the 800 MHz radio network.

The Council's recent focus on reducing poverty and disparities makes it even more essential that within the governance structure there is understanding and improved coordination with county programs--- which exclusively provide economic assistance, social services, workforce development/employment, counseling, public health, nutrition and family "home visiting" services, workforce and specialized housing programs and many other anti-poverty and human services. In these and many other circumstances, the State, Metropolitan Council and city governments have all looked to counties to provide both the financial and political leadership needed to address key regional issues.

Thus, while a strong regional approach is necessary for many issues, it is necessary for the regional governing body to feature strong county representation, as well as representation from other local elected officials. Currently, the members of the Council are non-elected individuals answerable only to the Governor, an office that has often been elected without majority support from metropolitan-area voters. The Council, which has the ability to levy taxes on metropolitan-area residents, should be answerable to the citizens and taxpayers of the area it represents rather than a single officeholder.

The best way to ensure that the interests of citizens of the metropolitan-area are represented is to have a preponderance of locally elected officials on the Council--individuals that do not serve exclusively at the pleasure of the Governor. This will have the added benefit of allowing the Council to meet federal guidelines to serve as the region's Metropolitan Planning Organization, a move encouraged by Federal Transit Administration (FTA) and Federal Highway Administration (FHA) to make the Council "more directly accountable to its public¹."

Regional governance is vital to the metropolitan area's continued success. However, in order for a regional body to be effective it must be credible, meaning that regional citizens must feel that the body effectively represents their goals and values. Citizens currently feel disconnected from the Metropolitan Council, preventing it from functioning as an effective regional governance body. The coalition of suburban counties is working to join the Metropolitan Council with the people it represents, so the region as a whole can unite for continued growth and prosperity.

¹ Letter from representatives of FTA and FHA to Ann R. Goering of Ratwik, Roszak, & Maloney, P.A., Aug. 3 2015

April 26, 2016

To Whom It May Concern,

It has been several months since we, as part of a working group of local government officials, released a set of six principles for Metropolitan Council governance reform, and we wanted to take this opportunity to update you on the progress of our efforts.

We are happy to report that nearly 40 municipalities across the metropolitan area have adopted the principles (a list is attached to this email). When County Commissioners have testified at the Legislature on these principles we have brought this ever-expanding list with us to illustrate how important this issue is to so many local governments.

We are grateful to the many communities who have already joined us in our efforts. However, we understand that many individuals have questions and concerns about our proposal. We would greatly appreciate the opportunity to explain our position. Please do not hesitate to reach out to any of the undersigned (or to Claire Pritchard at Claire.Pritchard@co.dakota.mn.us or 651.438.4540) to schedule a discussion or Council presentation.

Regards,



Rhonda Sivarajah
Anoka County Board of Commissioners



Matt Look
Anoka County Board of Commissioners



Scott Schulte
Anoka County Board of Commissioners



Randy Matuchnik
Carver County Board of Commissioners



Nancy Schouweiler
Dakota County Board of Commissioners



Liz Workman
Dakota County Board of Commissioners



Chris Gerlach
Dakota County Board of Commissioners



Mike Beard
Scott County Board of Commissioners

Principles on Metropolitan Council Reform: List of Adoptees

(as of April 26, 2016)

Cities

Andover	Lino Lakes
Bethel	Loretto
Blaine	Mayer
Centerville	Mendota Heights
Chanhassen	Mound
Chaska	New Germany
Cologne	New Prague
Columbus	Norwood Young America
Crystal**	Nowthen
Elko New Market	Oak Grove
Farmington	Plymouth*
Forest Lake	Prior Lake
Greenwood	Ramsey*
Ham Lake	Shakopee
Hamburg	St. Bonifacius
Hampton	St. Francis
Jordan	Victoria
	Watertown

Counties

Anoka	Dakota
Carver	Scott

**Modified Principles adopted*

***No official resolution was passed, but a letter supporting the Principles was signed by the majority of City Councilmembers and the Mayor*

METRO CITIES

TASK FORCE ON METROPOLITAN GOVERNANCE

Findings and Recommendations

January, 2012

INTRODUCTION

A Metro Cities Metropolitan Governance Task Force was created in 2011 to examine Metro Cities' legislative policies on regional governance and to make policy recommendations to the Metro Cities Board of Directors and membership.

The Metro Cities Board of Directors deemed a policy review to be timely given the release of the 2011 Legislative Audit on transit governance and recent legislative proposals to alter the governance structure of the Metropolitan Council.

The Task Force was comprised of 17 elected and appointed city officials from throughout the metropolitan area. Three meetings were held. Featured speakers included former Metropolitan Council Chairs Peter Bell and Ted Mondale, former Met Council Administrator Jim Solem, Metropolitan Council Government Affairs staff Judd Schetnan, and Legislative Auditor Judy Randall. The Task Force established a set of policy recommendations and findings that were subsequently adopted by the Metro Cities Board of Directors and membership in November, 2011.

BACKGROUND

Metro Cities is the region-wide entity representing the joint interests of metropolitan cities at the Metropolitan Council, Legislature and Executive Branch and works to advance policy positions that serve the interests of metropolitan area cities.

Metro Cities' policies support the existence of a regional government for the purposes of facilitating region wide planning and providing services that cannot be as effectively and efficiently provided by local governments or the state. Metro Cities' policies include positions on regional governance and Metropolitan Council policies and activities, and because of the unique and key relationships between the Metropolitan Council and cities, support the need for the Council to work collaboratively and in partnership with cities in the region.

Metro Cities' policies on regional governance have evolved over time, with many recent policies on governance the result of a previous task force undertaken by Metro Cities (Association of Metropolitan Municipalities) in 1998. The impetus for that study was the changing functions of the Metropolitan Council and restructuring of the Council in 1994. That AMM study developed several observations, principles and criteria regarding metropolitan governance, and recommended staggered terms for Metropolitan Council members. Metro Cities successfully

secured passage of staggered terms legislation in 2008; however the legislation was vetoed by Governor Tim Pawlenty.

Earlier this year, the Metro Cities Board of Directors convened an ad hoc group of Board members and staff to determine whether Metro Cities' legislative policies pertaining to regional governance warranted review.

The impetus for the Board's directive was twofold. Metro Cities' legislative policies on regional governance, particularly regarding the selection of Metropolitan Council members, were policies of long standing that notably did not address whether Metropolitan Council members should be appointed or elected. Recent legislative discussions and the release of the Legislative Auditor's report on transit governance prompted the Board to question whether Metro Cities' legislative policies on regional governance should be re-examined.

The ad hoc work group of the Metro Cities Board met in early April, and recommended a policy review under the direction of Metro Cities' Metropolitan Agencies Committee. This committee addresses policies and issues pertaining to the Metropolitan Council. It was determined that a task force of representatives of the Metropolitan Agencies Committee, augmented with additional city officials from throughout the region, be formed.

The Task Force met three times during the months of August and September and discussed key issues relating to regional governance at length. Task Force members identified a number of issues and priorities, based on a survey of Task Force members. These centered on goals and priorities for regional governance, opportunities and challenges facing the metropolitan region and its cities, the Council's strengths and weaknesses, whether the current Council is equipped to meet the needs of the region and its cities, and problems that might be addressed through a change in the governance model.

The Task Force recommendations were forwarded to the Metropolitan Agencies Committee, and subsequently adopted by the Metro Cities Board of Directors and full membership in November, 2011.

SUMMARY OF RECOMMENDATIONS

The findings and recommendations of the Metro Cities Metro Governance Task Force include new legislative policies on principles for regional governance, Metropolitan Council member selection, a comprehensive analysis of the Metropolitan Council and legislative oversight of the Metropolitan Council. This report also includes findings and observations identified by Task Force members that should be considered in any evaluations, discussions or proposals regarding our system of regional governance.

The Task Force recommendations specifically emphasize the need for increased local involvement and participation in the selection process for members of the Metropolitan Council, to increase the accountability and credibility of the Metropolitan Council with local units of government. As the units of government most affected by regional policymaking, any regional governance changes to be particularly responsive to metropolitan area cities.

The Task Force recommendations continue support for a regional government and the need for an increase in accountability by the Metropolitan Council to local units of government.

The Task Force recommendations support a comprehensive study that includes a broad range of stakeholders and that looks forward in defining how the Metropolitan Council can best meet the needs of the region and its communities into the future. Any systematic changes to the governing structure of the Metropolitan Council should not be considered until a comprehensive analysis of the region's future needs is undertaken.

TASK FORCE FINDINGS AND OBSERVATIONS

- Cities are the primary constituency of the Metropolitan Council and the entities most impacted by the statutes and policies relating to and governing the Metropolitan Council. As such, it is imperative that the Metropolitan Council work in partnership and collaboration with city governments.
- There should be more opportunities and formalized processes for local government involvement and participation in the work of the Metropolitan Council, including the selection of Metropolitan Council members, to help promote accountability, collaboration and problem solving among regional and local units of government.
- Any model of governance that proposes to have elected local officials serve on the Metropolitan Council (i.e. a Council of Governments model) must be a model under which city officials would make up the majority of local elected officials on the Metropolitan Council.

The Task Force does not recommend this model of governance for the Council, but members expressed strong opposition to any governance model under which county elected officials would represent a majority of local officials on the Metropolitan Council. The impacts of policy decision making by the Metropolitan Council fall most significantly onto city governments. Representation of county officials on the Metropolitan Council must only be considered under the premise that any county representation on the Metropolitan Council be commensurate with the involvement of counties in the statutory authority and policymaking activities of the Metropolitan Council. Task Force discussions identified several issues around potential conflicts of office and concluded these issues are potentially significant and must be resolved before this type of governance model is considered for the Metropolitan Council.

- Any changes to the overall governance structure of the Met Council must consider the impacts to the region and its governance as a whole, and not under any single function (i.e. transit).
- Any additional functions granted to the Council must have the input and support of metropolitan communities and be designed to respond to needs and services that cities cannot provide as efficiently or equitably.
- Regional level operation and planning functions should remain as integrated functions.

- Our system of regional governance deserves periodic evaluation as the needs of our region and its communities evolve and change.
- Greater recognition must be given to the fact the metropolitan region extends beyond the seven counties, and the critical issues relating to transportation, environment, and land use cannot be solved without the participation from adjacent counties.
- Any changes to the Council's structure or functions should be considered by a coalition of stakeholders that includes cities, counties, the business community and adjacent units of government. There should also be a means to involve local governments from the adjacent counties.
- This report recognizes the position of Metropolitan Council Chair is a full-time position and that as such the salary should reflect the actual needs and responsibilities of the position.

SUMMARY OF RECOMMENDED LEGISLATIVE POLICIES

The Task Force recommends legislative policies that emphasize the following tenets:

- Continued support for Metropolitan Council member selection through appointment by the Governor;
- Strengthening local official involvement and input into the selection process for Metropolitan Council members through specific statutory changes to the nomination process through which local officials would make up the majority of nominating committee members, and which would require the Governor's adherence to the nominating committee's recommendations barring extraordinary circumstances;
- Continued support for staggered terms for Metropolitan Council members with the appointment of the Chair to coincide with the term of the Governor;
- Principles of regional governance that emphasize the importance of Metropolitan Council accountability to and collaboration with city governments;
- Support for a comprehensive and forward-looking analysis of the Metropolitan Council;
- Support for legislative oversight of the Metropolitan Council.

METRO CITIES ORGANIZATION

Metro Cities (the Association of Metropolitan Municipalities) was established in 1974 to represent metropolitan communities at the Metropolitan Council, and at the Legislature on statewide issues with regional significance. The organization is governed by a 19 member Board, whose members are comprised of local city officials from throughout the region.

The purpose for the organization is to represent the joint interests of metropolitan cities before the Metropolitan Council, State Legislature and Executive Branch, to promote collaborative problem solving efforts between and among cities and state and regional policymakers, to serve as a forum for the interchange of ideas and information among metro cities, and to foster inter-city cooperation.

EXECUTIVE SUMMARY

From September 2015 to March 2016, the Citizens League convened a special task force to consider possible Metropolitan Council reforms in response to growing questions and concerns.

With the belief that the importance of the region is larger than just the sum of the interests of individuals, cities, counties, and even beyond the seven counties in the Metropolitan Council's formal jurisdiction, the task force reviewed the Metropolitan Council's performance against its goals; learned from a variety of stakeholders about the concerns raised; examined the tensions between the Metropolitan Council and counties, cities and individual Minnesotans; and discussed possible changes from the starting place of preserving and strengthening the Metropolitan Council's regional effectiveness.

Citizens League Key Findings and Conclusions

1. Because the Chair and members of the Metropolitan Council are appointed by and serve at the pleasure of the Governor, Council members are perceived by some as primarily accountable to the Governor and not to the districts from which they were appointed or to the region as a whole. This structure is viewed by some as preventing members from acting as an independent advocate for their district or the region.
2. With Metropolitan Council member term(s) being coterminous with the Governor's term(s), this results in the possibility of a complete turnover of members with each new Governor. This works against the Metropolitan Council's charge of long-term planning for the orderly and economical development of the region.
3. There is growing poverty, both concentrated and dispersed, throughout the region, and this should inform decision-making under the current authority of the Metropolitan Council.
4. Water quality and supply is a critical long-term regional asset and is currently perceived to be complicated by numerous overlapping, governmental entities with planning, operational, and regulatory authority. The Council has certain authorities for water planning in the region.
5. There are important questions and valid concerns about the region's transit and transportation finance and delivery systems related to accountability and transparency, efficiency and effectiveness, and equity.

Citizens League Recommendations to the Governor and Legislature

1. Adopt fixed four-year, staggered terms for Metropolitan Council members. Members would still be appointed by the Governor and would serve fixed, four-year terms. The Chair would be appointed by the Governor and continue to serve at the pleasure of the Governor per statute 473.123, Subd. 4.
2. The Metropolitan Council member selection process should include more input by citizens and local officials, strengthening the credibility of the Metropolitan Council, and further encouraging the appointment of well-qualified members. To achieve this, the Citizens League proposes:
 - a. Expanding the current Metropolitan Council nominations committee from seven to 13 members. Of these 13 members, seven should represent citizens-at-large and six should represent local governments: three appointed by counties and three appointed by cities.

- b. Adding additional public announcements to the current selection process:
 - i. Detailed position description with required skills, time commitment, and connection to district to be clearly articulated and posted in advance of the call for nominees.
 - ii. Requiring that the nominations committee recommend three finalists for each Metropolitan Council seat. The names of these finalists and their qualifications should be made public at least 14 days prior to final selection by the Governor.
- c. Adding to the current Metropolitan Council member qualifications:
 - i. Experience in local government and/or experience in such areas including but not limited to transportation, housing, environment, and regional development.
 - ii. The need/ability to represent both the demographic diversity of each district and the region as a whole.
 - iii. Ability to meet the time commitment required to attend Council and community meetings, as specified in the position description.

Citizens League Recommendations to the Metropolitan Council

- 3. Fully deploy the Met Council's *current* authority to reduce concentrations of poverty in the region and foster increased connections to social and economic opportunities. Full utilization of Met Council authority includes but is not limited to:
 - a. The creation of an equity policy plan to reduce concentrations of poverty in the region;
 - b. The evaluation of existing transit routes to ensure the best means to more directly connect areas of concentrated poverty with job centers and high-growth industry clusters; and
 - c. Using its research and convening authority to align regional stakeholders in pursuing strategies that will reduce poverty and its concentration, increase economic and social opportunity to advance future economic growth and mitigate the impact of demographic changes in the region related to aging.

Recommendations for Further Study by the Citizens League

Water Supply

- 4. The Citizens League task force acknowledges the importance of water supply in the region, as well as the many government agencies involved in its management. However, the task force did not study this issue in sufficient detail to provide a recommendation on such an important, regional issue. As such, the task force recommends that this issue be further studied by the Citizens League to ensure that water supply remains adequate and sustainable across the region, including all entities involved in its management and regulation.

Transportation Planning and Governance

- 5. Experts who met with the Citizens League task force maintained that the region's system of transit governance, planning, funding and operation works well despite its seemingly fragmented but definitely complex nature. Still, there are important questions related to accountability and transparency, efficiency and effectiveness, and equity. Given the limited time the task force had to review these issues, it recommends that the Citizens League undertake a study of the region's system of governance, planning, funding and operation of all forms of transportation.